

Message Text

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INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-04 H-02 INR-07 L-03

NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06 AID-05

COME-00 EB-07 LAB-04 SIL-01 TRSE-00 OMB-01 /075 W

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R 141540Z APR 76

FM AMEMBASSY LIMA

TO SECSTATE WASHDC 9760

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EO 11652: N/A

TAGS: ECON, PINT, PE

SUBJECT: PRIVATE ENTERPRISE RESPONDS TO PRESIDENT'S SPEECH

REF: LIMA 3079

1. SUMMARY: PRIVATE ENTERPRISE ORGANIZATIONS IN A LETTER PUBLISHED IN PRESS APRIL 11 RESPONDED TO PRESIDENT MORALES BERMUDEZ'S MARCH 31 SPEECH WITH EXPRESSION OF SUPPORT FOR MAJOR ELEMENTS OF SPEECH, AND CALL FOR CONCRETE ACTIONS BY GOVERNMENT TO DEMONSTRATE NEW DIRECTION OF PERUVIAN REVOLUTION. ORGANIZATIONS APPLAUDED MORALES BERMUDEZ'S REFERENCES TO LEGITIMACY OF PRIVATE ENTERPRISE, HIS REJECTION OF TOTALITARIANISM, HIS BARBS AT THE RADICAL LEFT, AND HIS ADMISSION OF SOME OF THE ERRORS OF THE FIRST PHASE OF THE REVOLUTION. IN ITS CALL FOR CONCRETE ACTIONS, THE PRIVATE SECTOR ORGANIZATIONS RECOMMENDED, INTER ALIA, THE REFORMATION OF THE LABOR COMMUNITY, A NEW FORMULATION OF THE OBJECTIVES OF THE SOCIAL PROPERTY SECTOR, THE DESIGNATION OF PERSONNEL SYMPATHETIC TO THE VIEWS OF THE PRIVATE SECTOR IN KEY GOVERNMENT POSITIONS, AND THE CREATION OF AN ATTITUDE WITHIN PERU THAT WOULD PERMIT THE PRIVATE SECTOR TO BE TREATED EQUALLY WITH OTHER ECONOMIC SECTORS. END SUMMARY.

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2. ELEVEN PERUVIAN ORGANIZATIONS REPRESENTING VARIOUS

GROUPS FROM THE PRIVATE SECTOR, INCLUDING THE AUTOMOBILE DEALERS' ASSOCIATION, THE PERUVIAN CONSTRUCTION CHAMBER (CAMARA PERUANA DE LA CONSTRUCCION), AND THE FEDERATION OF PERUVIAN CHAMBERS OF COMMERCE, ISSUED A STATEMENT WHICH APPEARED IN THE PRESS OVER WEEKEND COMMENTING ON THE MARCH 31 SPEECH OF PERUVIAN PRESIDENT MORALES BERMUDEZ. CITING THE REQUEST OF THE PRESIDENT FOR A CALM AND FREE DIALOG ON HIS SPEECH, THE ORGANIZATIONS LISTED THE ELEMENTS OF THE SPEECH WITH WHICH THEY ARE IN AGREEMENT, AND TOOK THE OPPORTUNITY TO PUSH FOR A MORE FAVORABLE GOP ATTITUDE TOWARD THE PRIVATE SECTOR THAN THEY FEEL HAS BEEN THE CASE IN RECENT YEARS. AMONG THE STRICTLY ECONOMIC POINTS IN MORALES BERMUDEZ'S SPEECH WITH WHICH THE ORGANIZATIONS EXPRESSED A COINCIDENCE OF VIEWS ARE: (A) THE OPPOSITION OF THE REVOLUTION TO MARXIST SOCIALISM; (B) THE FIRST PUBLIC RECOGNITION THAT THE CURRENT ECONOMIC CRISIS IS DUE NOT ONLY TO EXTERNAL FACTORS BUT ALSO TO DOMESTIC STRUCTURAL PROBLEMS, SOME OF WHICH DERIVE FROM MEASURES ADOPTED IN THE FIRST PHASE OF THE REVOLUTION; (C) THE EXPLICIT CONDEMNATION OF RADICAL MANAGERS AND ADVISORS WHO HAVE PROMOTED SOCIAL AGITATION WHICH HAS ADVERSELY AFFECTED PRODUCTION; (D) THE REQUEST THAT WORKERS STOP VIEWING BUSINESSMEN AND TECHNICIANS AS ENEMIES; (E) THE RECOGNITION OF THE INVALUABLE ROLE OF THE PRIVATE SECTOR IN THE ECONOMY AND THE NEED TO RESPECT AND PROMOTE THIS ROLE; AND (F) THE ACKNOWLEDGEMENT THAT ALL FOUR SECTORS OF THE ECONOMY SHOULD BE WORKING TOGETHER RATHER THAN ENGAGING IN UNPRODUCTIVE COMPETITION.

3. ON THE POLITICAL SIDE, THE ORGANIZATIONS APPLAUDED THE PRESIDENT'S REJECTION OF TOTALITARIANISM AND THE GOAL OF A CLASSLESS SOCIETY (CONCEPTS WHICH THE ORGANIZATIONS CLAIMED HAVE BEEN PROMOTED IN PERU BECAUSE OF THE INFILTRATION OF COMMUNISTS IN THE GOVERNMENT) AND HIS STATED INTENTION TO REORIENT PERU'S FOREIGN POLICY TO GIVE MORE ATTENTION TO THE AMERICAS, AND, IN PARTICULAR, NEIGHBORING COUNTRIES.

4. TURNING FROM SPECIFIC POINTS OF THE PRESIDENT'S SPEECH, THE STATEMENT THEN ELABORATED ON THE IMPORTANCE OF THE LIMITED OFFICIAL USE

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PRIVATE SECTOR IN ECONOMIC DEVELOPMENT IN GENERAL, CLAIMING THAT AN ECONOMIC SYSTEM THAT PERMITS CAPITAL TO RECEIVE ITS REQUIRED RETURN PROMOTES DEVELOPMENT, WITH THE CORRESPONDING DEVELOPMENT OF THAT SYSTEM'S PRODUCTION, EMPLOYMENT, AND USE OF ITS NATURAL RESOURCES. WITH RESPECT TO PERU, THE ORGANIZATIONS CLAIMED THAT IT HAS BEEN PRIVATE ENTERPRISE THAT HAS PAID THE HIGHEST TAXES, AND THAT IT IS ONE OF THE SECTORS THAT HAS PROVIDED THE MOST

JOBS AND HAS BEEN THE MOST DYNAMIC.

5. REFERRING TO SPECIFIC PERUVIAN LEGISLATION THAT IS VIEWED UNFAVORABLY BY THE PRIVATE SECTOR, THE STATEMENT GAVE SOME SUPPORT TO LABOR STABILITY (I.E. JOB SECURITY), BUT EMPHASIZED ITS VIEW THAT THIS SHOULD NOT MEAN THAT EMPLOYERS MUST CONTINUE TO KEEP ON THEIR ROLLS WORKERS WHO DO NOT FULFILL THEIR WORK REQUIRMENTS. THE ORGANIZATIONS CALLED THE LABOR COMMUNITY CONCEPT INOPERATIVE AND ACCUSED IT OF HAVING BEEN AN OBSTACLE TO INCREASED PRODUCTION DURING ITS FIVE YEARS OF EXISTENCE. THEY CITE THE RECENT SMALL BUSINESS LAW AS PROOF OF GOVERNMENT RECOGNITION OF THESE FACTS AND DEMAND THE REFORMATION OF THE LABOR COMMUNITY INTO A "REAL INSTRUMENT OF COOPERATION BETWEEN CAPITAL AND LABOR."

6. TOUCHING ON SOCIAL PROPERTY, THE ORGANIZATIONS CALLED FOR A REFORMULATION OF THIS SECTOR'S GOALS AND OBJECTIVES WHICH WOULD INCLUDE A PRECISE STATEMENT OF SOCIAL PROPERTY'S FIELD OF ACTION. IN THE ORGANIZATIONS' VIEW, SOCIAL PROPERTY SHOULD COMPLEMENT THE EXISTING ECONOMIC SECTORS, WITHOUT RECEIVING ANY FAVORED TREATMENT. THE PRIVATE SECTOR ORGANIZATIONS EMPHASIZE THAT A PERIOD OF SERIOUS ECONOMIC CRISIS SUCH AS THAT WHICH PERU IS CURRENTLY EXPERIENCING IS NO TIME TO EXPERIMENT WITH SYSTEMS THAT "HAVE NOT BEEN SUFFICIENTLY TESTED AND WHOSE SUCCESS IS DOUBTFUL."

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NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06 AID-05

COME-00 EB-07 LAB-04 SIL-01 TRSE-00 OMB-01 /075 W

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7. THE STATEMENT THEN DIRECTED ITSELF TO THE PRESIDENT'S SPEECH AND APPLAUDED HIS WILLINGNESS TO MAKE CHANGES IN THE DIRECTION OF THE REVOLUTION. THE STATEMENT SUGGESTED THAT ONE OF THE FORST CHANGES SHOULD BE THE REMOVAL FROM OFFICE OF THOSE ELEMENTS (I.E., LEFTIST) WHOM THE PRESIDENT REFERRED TO AS HAVING ENGAGED IN "INFILTRATION" IN THE GOVERNMENT AND THEIR REPLACEMENT BY ELEMENTS WHO CLEARLY ARE IDENTIFIED WITH THE PRINCIPLES ENUNCIATED IN THE PRESIDENT'S SPEECH.

8. THE ORGANIZATIONS CLOSED WITH ACALL FOR A COMPLETE CHANGE IN THE PERUVIAN ECONOMIC SYSTEM, SAYING THAT ISO-LATED MEASURES WILL NOT SUFFICE TO PULL PERU OUT OF ITS CURRENT CRISIS. TO THIS END, THE ORGANIZATIONS OFFER THEIR LOYAL COLLABORATION AND MAKE A PLUG FOR THE SAFETY OF PRIVATE INVESTMENT AND THE RECOGNITION OF THE RIGHT TO LEGITIMATE PROFITS. AS PART OF THEIR CONTRIBUTION TO THE EFFORT TO REACTIVATE THE ECONOMY, THE ORGANIZATIONS PROMISE TO PRESENT THE PRESIDENT WITH AN EXHAUSTIVE ANALYSIS OF HIS SPEECH AND A GENERAL ANALYSIS OF THE COUNTRY'S ECONOMIC PROBLEMS.

9. IN A RELATED DEVELOPMENT, A PERUVIAN FEDERATION OF PROFESSIONAL SOCIETIES, WHICH INCLUDES THE NATIONAL FEDERATION OF LAWYERS SOCIETIES, THE PERUVIAN ARCHITECTS SOCIETY, THE ENGINEERING SOCIETY, AND THE PERUVIAN

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MEDICAL FEDERATION AMONG OTHERS, ISSUED A STATEMENT APRIL 11 CRITICIZING THE FORMATION OF SOCIAL PROPERTY ENTERPRISES IN THE PROFESSIONAL FIELD. THE STATEMENT CHARGES THAT NOT ONLY WILL THE SOCIAL PROPERTY ENTERPRISES OFFERING PROFESSIONAL SERVICES BECOME MONOPLIES IN THEIR RESPECTIVE FIELDS, BUT THAT THEIR EXISTENCE WILL ALSO SLOW TECHNOLOGICAL DEVELOPMENT AND LOWER THE LEVEL OF QUALITY IN THE PROJECTS IN WHICH THEY PARTICPATE. THE AUTHORS OF THE STATMENT DEMAND CHANGES IN THE MEASURES THAT PERMIT THE CREATION OF SUCH SOCIAL PROPERTY ENTERPRISES AND CALL UPON THEIR PROFESSIONAL COLLEAGUES TO REFRAIN FROM JOINING THESE ENTERPRISES.

10. COMMENT: THESE TWO STATEMENTS FROM ORGANIZATIONS REPRESENTING THE PERUVIAN PRIVATE SECTOR ARE FURTHER INDICATION THAT THE PERUVIAN REVOLUTION MAY BE HEADING IN A DIFFERENT DIRECTION. ALTHOUGH THE SIGNALS EMANATING FROM GOVERNMENT SOURCES ARE STILL SOMEWHAT AMBIGUOUS, THE STATEMENTS ARE EVIDENCE THAT THE PRIVATE SECTOR HAS WASTED NO TIME IN TAKING ADVANTAGE OF THE MORE OPEN CLIMATE CREATED BY MORALES BERMUDEZ'S SPEECH TO PRESENT ITS VIEWS TO THE

PUBLIC. WHETHER THE PRIVATE SECTOR'S DESIRES WILL BE FUL-
FILLED REMAIN TO BE SEEN, BUT FROM THE OPEN AND DIRECT
MANNER WITH WHICH THE ORGANIZATIONS HAVE EXPRESSED THEIR
OPPOSITION TO SOME OF THE GOVERNMENT'S EARLIER PROGRAMS,
IT APPEARS THAT THE BUSINESS COMMUNITY IS NOT GOING TO
WAIT QUIETLY IN THE WINGS FOR CONCRETE ACTIONS. RATHER,
THE PRIVATE SECTOR SEEMS READY TO TELL THE PRESIDENT
WHAT PROOFS OF THE NEW DIRECTIONS OF THE PERUVIAN REVOLU-
TION ARE REQUIRED AT THIS TIME.
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ECONOMIC CONDITIONS, PRIVATE ENTERPRISE, SPEECHES, NATIONAL UNIFICATION
Control Number: n/a
Copy: SINGLE
Draft Date: 14 APR 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: powellba
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976LIMA03470
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760141-0897
From: LIMA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760463/aaaacbmrl
Line Count: 233
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION ARA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 5
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 76 LIMA 3079
Review Action: RELEASED, APPROVED
Review Authority: powellba
Review Comment: n/a
Review Content Flags:
Review Date: 21 JUL 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <21 JUL 2004 by saccheem>; APPROVED <28 OCT 2004 by powellba>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: PRIVATE ENTERPRISE RESPONDS TO PRESIDENT'S SPEECH
TAGS: ECON, PINT, PE, (BERMUDEZ, MORALES)
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006